

Message Text

PAGE 01 STATE 066154
ORIGIN TRSE-00

INFO OCT-01 EUR-12 ISO-00 EB-08 SIG-03 AID-05 CEA-01
CIAE-00 COME-00 FRB-01 INR-10 NSAE-00 SP-02
STR-07 LAB-04 SIL-01 OMB-01 /056 R

DRAFTED BY TREASURY:H BERGHOF:CMS
APPROVED BY EB/OT/STA:J S SPIRO
TREASURY:F VUKMANIC
TREASURY:P EHRENHAFT
EB/OT/STA:C H BLUM

-----115484 151351Z /47

R 150216Z MAR 78
FM SECSTATE WASHDC
TO AMEMBASSY BRUSSELS
INFO AMEMBASSY BERN
AMEMBASSY COPENHAGEN
AMEMBASSY DUBLIN
AMEMBASSY THE HAGUE
AMEMBASSY LONDON
AMEMBASSY LUXEMBOURG
AMEMBASSY ROME
AMEMBASSY PARIS

UNCLAS STATE 066154

USEEC

E.O. 11652:N/A

TAGS:ETRD

SUBJECT: Q'S AND A'S ON STEEL TRIGGER PRICE MECHANISM

1. TRANSMITTED HERewith IS A SERIES OF Q'S AND A'S ON THE
STEEL TRIGGER PRICE MECHANISM. THE QUESTIONS ORIGINATED
WITH THE EC AND WERE PASSED BY THE MISSION TO VUKMANIC OF
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THE TREASURY DEPARTMENT FOR RESPONSE.

2. QUESTION: IS IT TRUE THAT A SPECIAL SUMMARY STEEL
INVOICE (SSSI) WILL BE REQUIRED EVEN FOR STEELS NOT SUBJECT
TO TPM? IF SO, WHY? (SPECIALTY STEELS SUBJECT TO QUOTA
ARE EXCLUDED FROM TPM. STEELS NOT IMPORTED IN SIGNIFICANT
QUANTITIES IN THE RECENT PAST ARE ALSO EXCLUDED).

ANSWER: AN SSSI WILL BE REQUIRED FOR ALL STEEL PRODUCTS
CLASSIFIED AS "STEEL MILL PRODUCTS." ALL OTHER STEEL

PRODUCTS ARE EXCLUDED, THUS FABRICATED ARTICLES ARE NOT INCLUDED. HOWEVER, ANY STAINLESS STEEL PRODUCT WHICH IS A "STEEL MILL PRODUCT" MUST BE ACCOMPANIED BY AN SSSI. PRICES OF STAINLESS STEEL PRODUCTS WILL NOT BE MONITORED UNDER THE TPM AS LONG AS THEY ARE SUBJECT TO IMPORT QUOTAS.

3. QUESTION: WILL COPIES OF THE SSSI BE AVAILABLE IN PRACTICE?

ANSWER: FORMS OF THE SSSI ARE AVAILABLE FROM THE U.S. CUSTOMS SERVICE. FORMS ARE ALSO AVAILABLE FROM DISTRICT DIRECTORS OF CUSTOMS, U.S. CONSULATES, AND U.S. EMBASSIES. IN ADDITION, PRIVATELY MADE COPIES OF THE FORM AS IT APPEARS IN THE FEDERAL REGISTER MAY BE USED SO LONG AS THEY ARE IDENTICAL IN CONTENT AND SIZE AND NOT INFERIOR IN PAPER QUALITY TO THAT AVAILABLE FROM U.S. GOVERNMENT SOURCES. COPIES BASED ON THE FEDERAL REGISTER VERSION OF THE SSSI FORM CAN BE USED IF OFFICIAL FORMS ARE NOT AVAILABLE, SUBJECT TO THE CONTENT, SIZE, AND PAPER QUALITY STANDARDS NOTED ABOVE.

4. QUESTION: WHAT CHARGES WILL BE MADE, OR PENALTIES IMPOSED, IF THE IMPORTER FAILS TO PRODUCE AN SSSI TO UNCLASSIFIED

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CUSTOMS WITHIN 10 DAYS? (PRESENT PROCEDURES ALLOW A WAIVER OF SPECIAL CUSTOMS INVOICES (SCI) UP TO 6 MONTHS).

ANSWER: IMPORTERS WERE ALLOWED UNTIL MARCH 13, 1978 TO FILE AN SSSI FOR ANY SHIPMENT OF STEEL MILL PRODUCTS ENTERED INTO THE UNITED STATES BETWEEN FEBRUARY 21, 1978 AND MARCH 13, 1978. THIS EXTENSION WAS GRANTED BECAUSE OF DELAYS IN DISTRIBUTING SSSI FORMS. AFTER THAT PERIOD, IF IMPORTERS ARE UNABLE TO PRODUCE THE SSSI FOR FILING OF FORMAL CUSTOMS DOCUMENTS WITHIN 10 WORKING DAYS AFTER RELEASE OF GOODS UNDER IMMEDIATE DELIVERY, CUSTOMS ENTRY FORMALITIES CANNOT BE FINALIZED AND APPROPRIATE CHARGES WILL BE IMPOSED UNDER THE ENTRY BOND.

5. QUESTION: PRE-EXISTING CONTRACTS MAY BE HONOURED UP TO 30 APRIL 1978. WHAT HAPPENS TO CONTRACTS EXTENDING BEYOND THIS DATE, AT NON-REVIEWABLE PRICES?

ANSWER: WE HAVE ANNOUNCED THAT PRICES OF ENTRIES MADE BEFORE APRIL 30, 1978 OF STEEL MILL PRODUCTS FOR WHICH TRIGGER PRICES WERE PREVIOUSLY ANNOUNCED, AND WHICH ARE IMPORTED UNDER FIXED TERM CONTRACTS, WILL NOT BE MONITORED. AFTER THAT DATE, PRICES OF SUCH STEEL MILL PRODUCTS WILL BE MONITORED. IF THEY ARE BELOW TRIGGER PRICES BUT BASED UPON A FIXED TERM CONTRACT CONCLUDED BEFORE PUBLICATION OF THE APPLICABLE TRIGGER PRICES, THEY WILL BE EXAMINED AND MAY RESULT IN AN INVESTIGATION

DEPENDING ON SUCH OTHER AVAILABLE EVIDENCE AS THE LEVEL OF HOME MARKET PRICES AND COSTS OF PRODUCTION, THE VOLUME OF THE SHIPMENT IN RELATION TO OTHERS, THE AMOUNT BELOW TRIGGER PRICES AT WHICH THE SALE WAS MADE AND SIMILAR FACTORS.

6. QUESTION: WILL THE SSSI REQUIRE INFORMATION ON WHETHER THE CONTRACTING PARTIES ARE RELATED OR NOT?

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ANSWER: NO. HOWEVER, IF RELATED PARTIES ARE INVOLVED, THE PRICE SHOWN ON THE SSSI SHOULD BE THE INTERNATIONAL TRANSACTION PRICE BETWEEN THE PARTIES UNDER WHICH THE MERCHANDISE WAS BROUGHT TO THE UNITED STATES. RELATED PARTY INFORMATION IS REQUIRED ON CUSTOMS FORM 7501, HOWEVER.

7. QUESTION: HOW WILL EXPORTERS DEAL WITH SITUATIONS WHERE THE DATE OF SHIPMENT (I.E. DATE OF SAILING) IS UNKNOWN TO THEM? CAN THEY STATE AN ESTIMATED DATE OF SHIPMENT?

ANSWER: THE DATE OF SHIPMENT IS NOT REQUIRED ON THE SSSI. INVOICE PRICES WILL BE COMPARED WITH TRIGGER PRICES IN EFFECT ON DATE OF EXPORTATION, WHICH IS SHOWN ON OTHER ENTRY DOCUMENTS.

8. QUESTION: WILL THE U.S. AUTHORITIES GRANT MORE TIME FOR COMMENT ON THE PROCEDURES?

ANSWER: THE U.S. DEPARTMENT OF THE TREASURY ANNOUNCED ON DECEMBER 30, 1977, THAT IT WOULD ACCEPT COMMENTS ON THE PROPOSED TPM UNTIL JANUARY 27, 1978. MANY COMMENTS WERE SUBMITTED DURING THAT PERIOD, AND WERE CAREFULLY CONSIDERED IN THE FORMULATION OF THE FINAL TPM RULES. ALTHOUGH THE TPM WAS IMPLEMENTED ON FEBRUARY 21, THE TREASURY WELCOMES FURTHER COMMENTS ON THE TPM AT ANY TIME.

9. QUESTION: WILL THEY GRANT MORE TIME FOR IMPLEMENTATION AFTER THE PROCEDURES ARE AGREED? (IF NOT, DISRUPTIONS OF TRADE SEEM INEVITABLE, WHEREAS THE U.S. REPRESENTATIVES HAVE TOLD US IT IS NOT THEIR INTENTION TO RESTRICT IMPORTS).

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ANSWER: DELAYED IMPLEMENTATION IS NOT POSSIBLE. HOWEVER, THE TREASURY IS ATTEMPTING TO ASSURE THAT IMPLEMENTATION OF THE TPM DOES NOT DISRUPT TRADE WHILE COMING INTO FORCE AFTER PUBLIC NOTICE AND OPPORTUNITY FOR COMMENT TO A

DEGREE SUBSTANTIALLY GREATER THAN OFFERED BY ANY OTHER COUNTRY.

10. QUESTION: WHERE A SPECIFIC PRICE FOR A PRODUCT IS NEGOTIATED, WILL IT BE POSSIBLE TO SHOW THIS INCLUSIVE PRICE ONLY ON SSSI, OR MUST IT BE BROKEN DOWN

ARTIFICIALLY INTO A "BASE PRICE" PLUS "EXTRAS?"

ANSWER: THE SSSI NEED NOT ARTIFICIALLY PRICE THE "BASE" AND EACH "EXTRA." HOWEVER, EVERY SPECIFICATION OF THE PRODUCT MUST BE IDENTIFIED SO THAT THE CUSTOMS SERVICE CAN DETERMINE WHETHER THE BASE PLUS EXTRAS FOR A PRODUCT OF SUCH SPECIFICATIONS IS EQUAL TO THE TRIGGER PRICE. OMISSION OF SPECIFICATION DATA COULD RESULT IN REJECTION OF THE SSSI.

11. QUESTION: WHY IS IT NECESSARY TO REQUIRE BOTH THE SSSI AND FORM 5515 IF THEY CONTAIN THE SAME INFORMATION?

ANSWER: THE REASON FOR RETAINING THE OPTIONAL REQUIREMENT OF A SPECIAL CUSTOMS INVOICE (FORM 5515) IS THAT CERTAIN INFORMATION IN THE SCI IS APPLICABLE ONLY TO A LIMITED NUMBER OF IMPORTATIONS AND IT IS IMPRACTICABLE TO INCORPORATE THESE ITEMS INTO THE SSSI BECAUSE OF SPACE LIMITATION ON THE NEW FORM. THEREFORE, THERE WILL BE A CONTINUING NEED FOR BOTH THE SCI AND THE SSSI IN A LIMITED NUMBER OF CASES. DISTRICT DIRECTORS OF CUSTOMS HAVE THE AUTHORITY TO WAIVE FILING OF FORM 5515 AND WILL BE INSTRUCTED TO REQUIRE BOTH FORMS ONLY WHEN NECESSARY. BECAUSE OF THE SPECIALIZED NATURE OF THE INFORMATION
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REQUIRED FOR PURPOSES OF THE TPM, THE ADOPTION OF THE NEW FORM IS ESSENTIAL. FURTHER, IMPORTERS COULD NOT FURNISH THIS INFORMATION READILY ON THE SCI BECAUSE THAT FORM HAS NO SPACE FOR PROVIDING IT.

12. QUESTION: WILL IT BE POSSIBLE TO REFER ON THE SSSI TO AN ACCOMPANYING PACKING LIST OR COMMERCIAL INVOICE?

ANSWER: NO, THE SPACE PROVIDED IN THE SSSI WILL BE SUFFICIENT IN MOST CASES FOR THE IMPORTERS TO PROVIDE THE REQUESTED INFORMATION. TO EXPEDITE EXAMINATION OF THE FORM AND THE COMPILATION OF THE SUBMITTED INFORMATION FOR PURPOSES OF THE TPM, THE SSSI CANNOT REFER TO ACCOMPANYING DOCUMENTS. WHERE DATA NOT NECESSARY FOR THE SSSI BUT NEEDED FOR OTHER CUSTOMS PURPOSES ARE FURNISHED, INVOICES OR PACKING SLIPS MAY CONTINUE TO BE USED.

13. QUESTION: WHAT DOES TREASURY THINK OF THE ESTIMATE OF AIIS THAT IMPORTS WILL SHRINK TO 6 OR 7 MILLION TONS,

AND THAT THE IMPACT WILL BE HARSHER ON SOME PRODUCTS THAN ON OTHERS?

ANSWER: THE TREASURY HAS NOT ATTEMPTED TO MAKE ANY QUANTITATIVE ESTIMATES ON THE EFFECT OF THE TPM, NOR DOES IT HAVE ANY REASON TO DO SO. THE TRIGGER PRICE MECHANISM

IS EXCLUSIVELY A DEVICE TO ENABLE THE SECRETARY OF THE TREASURY TO IDENTIFY IMPORTS OF STEEL AT PRICES WHICH APPEAR TO BE BELOW "FAIR VALUE" UNDER THE ANTIDUMPING ACT AND TO DETERMINE, WITHOUT THE NEED FOR A COMPLAINT, AND ON AN EXPEDITED BASIS, WHETHER SUCH SALES ARE IN FACT BELOW FAIR VALUE. THE TPM IS INTENDED SOLELY TO DEAL WITH UNFAIR TRADE IN STEEL, AND IN NO WAY PLACES QUANTITATIVE UNCLASSIFIED

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RESTRICTIONS ON IMPORTS. IT MAY IMPACT MORE SEVERELY ON SOME PRODUCTS THAN ON OTHERS, DEPENDING ON THE DOMESTIC PRICES FOR STEEL MILL PRODUCTS FOR WHICH TRIGGER PRICES ARE ESTABLISHED. HOWEVER, THE TRIGGER PRICES ARE NOT BASED ON, DERIVED FROM, OR RELATED TO DOMESTIC PRICE LEVELS.

14. QUESTION: IS IT NOT TRUE THAT THE TPM PLACES IMPORTERS (AND THEIR CUSTOMERS WHO HAVE PLANNED THEIR BUSINESS ON THE BASIS OF LOWER COST IMPORTED STEEL) AT THE MERCY OF THE DOMESTIC STEEL MILLS?

ANSWER: ABSOLUTELY NOT. NO QUANTITATIVE RESTRICTIONS ARE BEING PLACED ON STEEL IMPORTS. ANY AMOUNT OF STEEL MAY BE IMPORTED, AS LONG AS THE PRICE OF THAT STEEL IS NOT BELOW "FAIR VALUE." THIS IS THE STANDARD THAT HAS BEEN A PART OF OUR LAW SINCE 1921 AND IS THE EQUIVALENT OF THE INTERNATIONALLY - AGREED NORM TO WHICH ALL SIGNATORIES TO THE INTERNATIONAL ANTIDUMPING CODE HAVE AGREED. IMPORTERS PRICING AT FAIR VALUE WILL BE ABLE TO COMPETE FREELY IN THE U.S. MARKET.

15. QUESTION: WHAT NEWS IS THERE REGARDING THE WITHDRAWAL OF THE VARIOUS PRIVATE ANTIDUMPING COMPLAINTS?

-- WIRE ROD FROM FRANCE AND THE UK (GEORGETOWN STEEL CORP, COMPLAINT)

-- COLD ROLLED, AND GALVANIZED SHEET, FROM 6 MEMBER STATES (NATIONAL STEEL COMPLAINT)

-- BARS, STRIPS, SHAPES AND PLATES FROM THE UK (ARMCO COMPLAINT)

ANSWER: NONE. VANCE

UNCLASSIFIED

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ORIGIN EUR-12

INFO OCT-01 ISO-00 /013 R

66011
DRAFTED BY:EUR:WE:EMROWELL
APPROVED BY:EUR:WE:MR. ROWELL
-----055679 191243Z /15
R 190530Z MAR 78
FM SECSTATE WASHDC
INFO AMEMBASSY MADRID 0000

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FOLLOWING TELEGRAM FROM SECSTATE WASHDC DATED MARCH 15,
1978 SENT BRUSSELS INFO BERN, COPENHAGEN, DUBLIN, THE HAGUE,
LONDON, LUXEMBOURG, ROME, PARIS IS REPEATED TO YOU: QUOTE

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USEEC

E.O. 11652:N/A

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ANSWER: NONE. VANCE UNQUOTE VANCE

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<< END OF DOCUMENT >>

Message Attributes

Automatic Decaptioning: X
Capture Date: 26 sep 1999
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: STEEL, PRICES
Control Number: n/a
Copy: SINGLE
Draft Date: 15 mar 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 jan 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978STATE066154
Document Source: ADS
Document Unique ID: 00
Drafter: TREASURY:H BERGHOF:CMS
Enclosure: n/a
Executive Order: N/A
Errors: n/a
Expiration:
Film Number: D780115-0305
Format: TEL
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
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Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, TEXT ON MICROFILM
Message ID: 526a5ebb-c288-dd11-92da-001cc4696bcc
Office: ORIGIN TRSE
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 10
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Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: n/a
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 03 mar 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 3166264
Secure: OPEN
Status: NATIVE
Subject: QVS AND A\S ON STEEL TRIGGER PRICE MECHANISM
TAGS: ETRD
To: BRUSSELS INFO BERN MULTIPLE
Type: TE
vdkgvwkey: odbc://SAS/SAS.dbo.SAS_Docs/526a5ebb-c288-dd11-92da-001cc4696bcc
Review Markings:
Sheryl P. Walter
Declassified/Released
US Department of State
EO Systematic Review
20 Mar 2014
Markings: Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014